
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 208-0680

FOR IMMEDIATE RELEASE

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MOMENTUM TOWARD RTO FORMATION EVIDENT AT WESTERN WORKSHOP

More than 400 participants from all segments of the electric utility industry attended a Las Vegas workshop arranged by the Federal Energy Regulatory Commission Thursday and Friday where there was a clear consensus that Regional Transmission Organizations (RTOs) will be formed in the West.

While many agreed that the ideal would be one RTO for the entire region and perhaps into Canada, there was also a consensus that practical operational, regional and political realities would mean the creation of more than one RTO—perhaps four—in the West.

There was also general agreement that any RTO filings with the Commission must address seams issues. There was also discussion on merging many western organizations into a single western interconnection organization. A web site at www.wicf.org was set up to communicate information on this issue.

The workshop was facilitated by Daniel L. Larcamp, Director of the Commission's Office of Markets, Tariffs and Rates, who urged participants to keep in mind future discussions and a commitment to continue collaborative processes in the West.

The workshops started with overview presentations, with the goal of promoting seamless transmission in the West and into Canada and Mexico.

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In December 1999, the Commission adopted Order No. 2000, its historic policy designed to further competition and bring lower prices to electric utility consumers through the voluntary development by transmission owners of RTOs. RTOs work to prevent the abuses of market power which hinder competition.

At that time, the Commission said it would undertake a collaborative process, of which the Las Vegas workshop is a part. Commission staff are fully engaged with transmission owners, public and non-public utilities, as well as state officials and affected interest groups, in working toward the voluntary development of RTOs.

To accommodate the issues and concerns of the parties in each region, a unique agenda has been developed for each workshop.

In Order No. 2000, the Commission made clear that it was not favoring one form of RTO over another and would encourage flexibility in RTO formation. In addition, the Commission withheld judgment about whether existing Independent System Operators (ISOs) qualify as RTOs under the rule.

The Commission held its first regional workshop March 1 and 2 in Cincinnati. A second workshop was held in Philadelphia on March 15 and 16.

The remaining workshops are scheduled for:

March 29 - 30	Kansas City, Missouri
April 6 - 7	Atlanta, Georgia.